

AN IMPORTANT CHANGE IN THE SYSTEM OF LIFE ASSURANCE.

With the Birth of the New Year a Model Association is Born in this Important Financial Interest.

The important changes constantly being made in the methods long established of conducting mercantile, manufacturing and financial pursuits, has done much to simplify worn out, tedious and effete formulæ and expedite every business transaction. This may be said to apply to every phase of industry, yet it is particularly noticeable in the matter of life assurance. For years and years old line companies held sway, hood-winking the trusting policy holder by declaring dividends, which never divided the surplus funds, meantime charging exorbitant rates, and ostensibly reducing their schedule cost to such minimum figures that it invariably depleted the exchequer of the insured. Legislatures were purchased with their hoarded gold, princely salaries were paid out to officers for merely attaching their signatures to policies and institutions were conducted in a style so extravagant as to be absolutely scandalous.

Where cash values were demanded or policies surrendered, the companies sometimes returned the amount paid in, less the cost of carrying the risk, but never the interest or compound interest on the money expended. The four per cent. reserve, a provision established by legal enactment, remained a dead letter, and the stereotyped wail about the widows and orphans continued uninterrupted, to the detriment of the applicant and the distress of the beneficiary.

With, however, the transition in our financial economy, co-operative life and accident assurance companies saluted the business world with the potent and practical panacea for its grievances—security and economy. Co-operative life associations proving a success—they were followed by co-operative accident associations, and men bethought them to do some good for themselves while in the quick as well as of making a provision for their families in case of their demise. The plan of paying for benefits received, and paying for them as received, gained the support of men of thought and business insight. 'Tis true the rates have even under this plan been in excess of the required sum necessary to security, but this, we are enabled to say, is at length overcome. Learning that life and accident risks were being carried jointly, at a fraction above the cost of carrying the life risk alone by the UNITED LIFE AND ACCIDENT INSURANCE ASSOCIATION, we called at their office, No. 44 Broadway, to gain a knowledge of the workings of the system.

The association was organized Dec. 8th, 1885, and will issue the first policy Jan. 2nd, 1886. Certificates of membership will be issued upon the life of a single individual, payable upon his death to his beneficiary, in sums not to exceed \$10,000, by payment of annual dues and assessments when such become necessary for the maintenance of the death fund. He can also secure a weekly benefit in case of accident, but not to exceed twenty-six weeks, by the additional cost of a merely nominal annual due, and without extra assessment. For death losses the rates are graduated according to age and carefully prepared by the leading actuaries of the country. One of the special features is a joint policy on the life of husband and wife or business partners at the cost of one risk and payable to the survivor upon the death of either. The one office serves for conducting both departments, making a great saving over the expense in cases where they are carried on separately. The treasurer is required to furnish bonds, and the entire management is under the supervision of the State Insurance Department. We say, unhesitatingly, that it is the best and most economical plan to-day in practice, as, for instance, a certificate of \$1,000 death benefit and \$10 weekly indemnity in case of accident, the entire cost, besides assessment for death losses, will be \$6 annual dues, and for \$10,000 death benefit and \$50 weekly accident benefit, \$25. The law requires 50 applications to be made for membership before granting a charter to any life association, and as an evidence of the auspicious circumstances under which this company embarks the petition embodied over 300 applications for membership, yet its crowning feature is the club system resembling in its general character the Tontine Endowment plan.

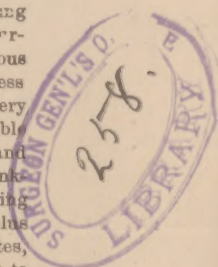
Ten members of the United Life and Accident Insurance Association take a certificate for \$10,000 each, the same as in an ordinary policy, but payable to himself or heirs, and the remaining nine in equal parts.


Upon the death of a member of this club an assessment is made upon the entire class as in ordinary cases, and upon its collection, the widow of deceased receives \$1,000, and the nine surviving members each \$1,000. This cancels one certificate and nine members now compose the club.

At the second death, the assessment is again made on the entire class and the widow or heirs receive \$1,112, and each of the remaining eight \$1,111; and so on until the last member's heirs receive \$10,000, besides his having been benefited during life in cash \$19,292, as a glance at our circular shows.

In case of an assessment not yielding a full \$10,000, the net proceeds would be divided in the same proportion as above.

It is the present intention to enroll 1,000 charter members. Subsequently new members will be required to pay an admission fee commensurate with the amount of the policy, hence an early application for charter membership is desirable, as it saves incurring this expense.



A circular purple ink stamp is located in the lower right quadrant of the page. The outer ring of the stamp contains the text "SURGEON GENERAL'S OFFICE" at the top and "LIBRARY" at the bottom. In the center of the stamp, the number "258" is handwritten in black ink.